



## **Consumer Bill of Rights - the end of premium telephone charges**

The Queen's Speech - to be delivered on Wednesday 8 May 2013 - will announce that a Bill will be introduced to deliver a Consumer Bill of Rights. This will include a ban on use of expensive telephone numbers for customer enquiries and complaints.

The specific provision will represent implementation of Article 21 of the EU Consumer Rights Directive. This prohibits use of telephone numbers charged at more than the "basic rate" for enquiries or complaints from customers.

### ***Which numbers are to be banned?***

To avoid any confusion about what is "basic rate", Ofcom has recently announced the details of its reforms to Simplify Non-Geographic Numbers. This announcement confirms that the "Service Charge" which is presently part of the ("bundled") cost of calling 084, 087 and 09 numbers, will be retained, but separately identified. The amount of the Service Charge imposed by the person being called will have to be declared by that person, and it will be shown on the telephone bill separately from any "Access Charge" added by the telephone company.

Ofcom confirms that the 03 range is the only range that is charged at the same rate as calls to geographic numbers - what is understood to be the "basic rate". All other ranges include a Service Charge to be benefit of the person called and therefore cannot be considered to be charged at the "basic rate".

*We await the formal response to the recent Department for Business consultation on these measures and the text of the Bill, but it is unthinkable that it will not confirm a ban on use of 084 and 087 numbers for customer enquiries and complaints.*

### ***Where will this (not) apply?***

As a "consumer protection" measure, it applies only to "consumers", i.e. those who have entered into a commercial arrangement with the company being called. Although it is understood that BIS intends to make the scope of this provision cover all but one of the sectors that could have been excluded, there remains one exception - Financial Services.

This means that there will still be work to be done to eliminate the improper imposition of Service Charges from those areas not covered by the Consumer Bill of Rights. All contact with Public Services and other contacts made other than for "post sales" enquiries and complaints may still be subject to a Service Charge, after these provisions come into effect.

There is however no reason why the government could not recognise that there is something rather ugly in itself imposing charges for telephone contact, where the same form of contact may not be subject to a Service Charge in the private sector. Similarly, the FSA or the Treasury could easily apply similar provisions to cover providers of Financial Services.

This measure will be implemented within the same time frame as the Ofcom provisions. Those users of 084 and 087 numbers who escape the Consumer Bill of Rights provisions will, for the first time, be facing the decision of whether to declare their Service Charge openly, or withdraw it.

We believe that declaration may be hard for those seen to have escaped through a "loophole". We will do all we can to make it as hard as possible!

